GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:4236
ANSWERED ON:24.08.2005
ALLEGED IRREGULARITIES IN MARKETING OF COAL
Khaire Shri Chandrakant Bhaurao

Will the Minister of COAL be pleased to state:

(a) whether the Government had received complaints against the Western Coal Fields Limited regarding alleged irregularities and manipulation in marketing of coal to various industrial units/power plants in Maharashtra:

(b) if so. the details of the complaints received and the number of cases referred to CBI/vigilance agencies for investigation during the last three years:

(c) the details of irregularities confirmed and the extent of manipulation involved and the action taken against those found guilty; and

(d) the details of initiatives taken/ proposed to be taken by the Union Government for efficient markeiing of coal ?

Answer

MNISTER OF THE STATE IN THE MINISTRY OF COAL & MINES (DR. DASARI NARAYAN RAO)

(a) Yes. Sir.

(b)& (c) It has been alleged in the complaint received that the Maharashtra State Electricity Board (MSEB) has entered into an agreement with coal washery units to lift coal on their behalf from Western Coalfields Limited {WCL) and supply washed coal to the power stations of MSEB. These units are allowed to sell 20% of this coal as `rejects` and MSFB gets only 80% of the coal. The washery units are selling good quality coal in the garb of rejected coal to the local small scale units and thus causing loss to MSEB.In addition to it, MSEB is also paying the coal washing charges to these washeries. The connivance of WCL officials has also been alleged in the complaint.

Government of Maharashtra and WCL have been requested to verify and to send a report in the matter. Since the matter is still being verified, the question of referring it to CBI/Vigilance agencies does not arise.

(d) Sale of coa! through e-Auction w.e.f. April 2005 has been introduced in WCL. Under e-Auction, customer whether linked or non-linked can participate to meet their coal requirement. The customer is free to bid for the quantity and quality as required by him. For the year 2005-06, quantity of 2.2 Million Tonnes has been allocated to WCL for e-Auction which is expected to be enhanced upon availability and customers demand. Besides the above, coal has been allotted to National Cooperative Consumers Federation (NCCF) and also to State Government Agencies of Maharashtra and Madhya Pradesh for meeting the coal requirement of small and tiny consumers. It has also been decided to conduct verification of documents related to operation/existence of Non-core sector consumers. Accordingly, WCL has called necessary documents from such consumers and the verification is under progress in order to meet the coal requirement of genuine consumers.